



~~Wexpro Company~~

1955 Blairtown Road
P. O. Box 458
Rock Springs, WY 82902
Tel (307) 352-7554
Fax (307) 352-7575
DeeF@questar.com

Dee A. Findlay
Regulatory Affairs Technician

June 20, 2001

Bureau of Land Management
Vernal Field Office
170 South 500 East
Vernal, UT 84078

RE: Island Unit Wells
Applications for Permit to Drill
Uintah County, Utah


Gentlemen:

Wexpro Company is requesting the enclosed APD's be processed in the order listed below. We realize that you are quite busy and felt that a priority list would be useful.

Island Unit No. 85	U-4481	NE SW 11-10S-19E
Island Unit No. 86	U-4481	NE NE 11-10S-19E
Island Unit No. 84	U-4486	SW SW 8-10S-20E
Island Unit No. 87	U-4484	SE SW 12-10S-19E

Thank you for your consideration and if you have any questions, please contact me at (307) 352-7554.

Sincerely,


Dee Findlay

cc: G. T. Nimmo

daf:h:/letters/Island Priority.wpd

RECEIVED

JUN 21 2001

DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL ☐ GAS
WELL ☐ WELL ☒

OTHER

SINGLE
ZONE ☒ MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1712' FWL, 1005' FSL, SE SW

At proposed prod. zone

same

4423610 N
608114 E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 20 miles southwest of Ouray, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1005'

16. NO. OF ACRES IN LEASE

1970

17. NO. OF ACRES ASSIGNED
TO THIS WELL

NA

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.

1475'

19. PROPOSED DEPTH

10,845'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR 5047'

22. APPROX. DATE WORK WILL START*

November 1, 2001

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	16"	Steel Conductor	45'	Please refer to drilling plan
12-1/4"	9-5/8", K-55	36#	1,100'	Please refer to drilling plan
7-7/8"	4-1/2", N-80	11.6#	10,300'	Please refer to drilling plan
7-7/8"	4-1/2", P-110	11.6#	10,845'	Please refer to drilling plan

Please refer to attached Drilling Plan for details.

Please be advised that Wexpro Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Nationwide Bond No. SL67308873, BLM Bond No. ES0019.

RECEIVED

JUN 21 2001

DIVISION OF
OIL, GAS AND MININGFederal Approval of this
Action is Necessary

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

G. T. Nimmo, Operations Manager

SIGNED

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

43-047-34139

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

BRADLEY G. HILL

RECLAMATION SPECIALIST III

DATE

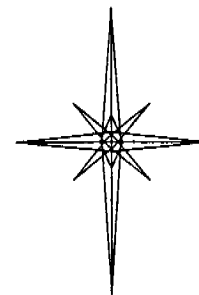
07-03-01

* See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

R. 19 E.

N



**ISLAND
UNIT #87**

**UNGRADED ELEVATION:
5047'**

Basis of Elevation: USGS spot
elevation located at the SW corner
of Sec. 12, T 10 S, R 19 E.
Elevation = 5071'

T. 10 S.

LATITUDE

NORTH 39°57'27.11"

LONGITUDE

WEST 109°44'02.72"

NORTHING

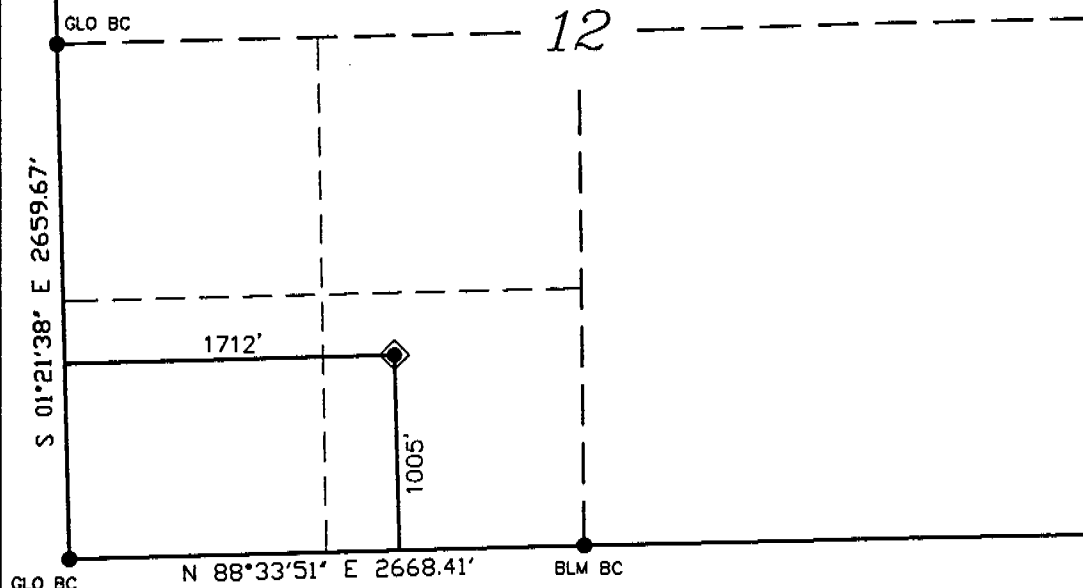
596463.34

EASTING

2494980.98

DATUM

SPCS UTAH CENTRAL NAD 27



1000 500 0 1000 2000

SCALE FEET

SURVEYOR'S STATEMENT

I, Brian L. Forbes, of Rock Springs, Wyoming, hereby state: This map was made from notes taken during an actual survey under my direct supervision on May 17, 2001, and it correctly shows the location of ISLAND UNIT #87.

NOTES

- ◆ WELL LOCATION
- FOUND MONUMENT

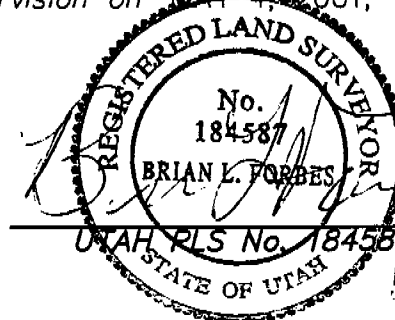


EXHIBIT 1



RIFFIN & ASSOCIATES, INC.

**PLAT OF DRILLING LOCATION
FOR
WEXPRO COMPANY**

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1000'

JOB No. 7651

DATE: 05/17/01

**1005' F/SL & 1712' F/WL, SECTION 12,
T. 10 S., R. 19 E., 6th P.M.
UINTAH COUNTY, UTAH**

**Drilling Plan
Wexpro Company
Island Unit Well No. 87
Uintah County, Utah**

1. SURFACE FORMATION, ESTIMATED TOPS AND WATER, OIL, GAS OR MINERAL BEARING FORMATIONS:

Formation	Depth	Remarks
Uintah	Surface	
Green River	1,305'	Gas, Secondary Objective
Birds Nest Aquifer	2,270'	
Wasatch Tongue	4,290'	Gas, Secondary Objective
Green River Tongue	4,635'	Gas, Secondary Objective
Wasatch	4,785'	Gas, Secondary Objective
Lower Wasatch Marker	6,850'	Gas, Secondary Objective
Mesaverde	7,775'	Gas, Primary Objective
Mesaverde (2)	9,210'	Gas, Primary Objective
Mesaverde (Buck Tongue)	9,850'	
Mesaverde (Castlegate)	9,910'	Gas, Primary Objective
Mancos Tongue	10,160'	
Mesaverde (Black Hawk)	10,360'	Gas, Primary Objective
Mancos	10,770'	
Total Depth	10,845'	

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected.

2. PRESSURE CONTROL EQUIPMENT: (See attached diagram) Operator's minimum specifications for pressure control equipment require an 11-inch 5000 psi double gate hydraulically operated blowout preventer and an 11-inch 5000 psi annular preventer. BOP equipment will be tested to its rated working pressure or 70-percent of the internal yield of the surface casing. The annular preventer will be tested at 50-percent of its rated

working pressure. NOTE: The surface casing will be pressure tested to a minimum of 1500 psi. BOP's will be checked daily as to mechanical operating condition and will be tested by rig equipment after each string of casing is run. All ram type preventers will have hand wheels which will be operative and accessible at the time the preventers are installed.

AUXILIARY EQUIPMENT:

- a. Manually operated kelly cock
- b. No floats at bit
- c. Monitoring of mud system will be with PVT system
- d. Full opening floor valves in the full open position, capable of fitting all drill stem connections manually operated
- e. Formation integrity test will be done 20' below surface casing shoe to 11.0 ppg

3. CASING PROGRAM:

Size	Top	Bottom	Weight	Grade	Thread	Condition
16"	sfc	45'				Steel Conductor
9-5/8"	sfc	1,100'	36	K55	STC	New
4-1/2"	sfc	10,300'	11.6	N80	LTC	New
4-1/2"	10,300'	10,845'	11.6	P110	LTC	New

Casing Strengths:				Collapse	Burst	Tensile (minimum)
9-5/8"	36 lb.	K55	STC	2,020 psi	3,520 psi	423,000 lb.
4-1/2"	11.6 lb.	N80	LTC	6,350 psi	7,780 psi	223,000 lb.
4-1/2"	11.6 lb.	P110	LTC	7,560 psi	10,690 psi	279,000 lb.

CEMENTING PROGRAMS:

9-5/8-inch Surface Casing: 1100 feet (707 cu.ft.) of Class G with 3% CaCl₂ (1/4% celloflake will only be used if lost circulation is encountered).

4-1/2-inch Production Casing: 4700 feet of 50/50 Poz-gel (2092 cu.ft.) followed by 6145 feet of Class G (2516 cu. ft.) with reducer and fluid loss additives, if needed.

4. MUD PROGRAM: Surface to 1100 feet will be drilled with fresh water and polymer sweeps. Fresh water with 2% KCL will be used from 1100 feet to approximately 9100 feet. Mud up should be accomplished by 9100 feet to drill the Mesaverde with a mud weight of 10 - 10.5 ppg to total depth.

Sufficient mud materials to maintain mud properties, control lost circulation and to contain blowout will be available at the wellsite.

No chrome constituent additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

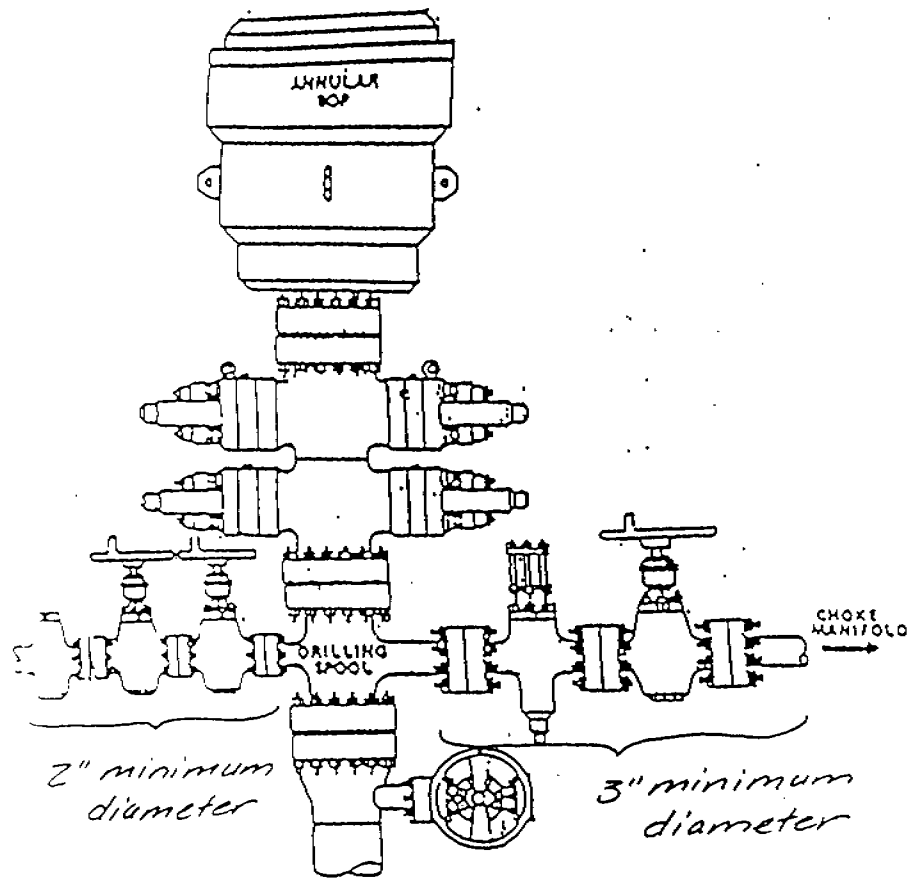
5. LOGGING: Dual Laterlog - Total Depth to surface casing
FDC/CNL/GR/CAL - Total Depth to surface casing
RFT - Total Depth to Wasatch top @ 4785'
MRIL - Total Depth to Wasatch top @ 4785'

TESTING: None

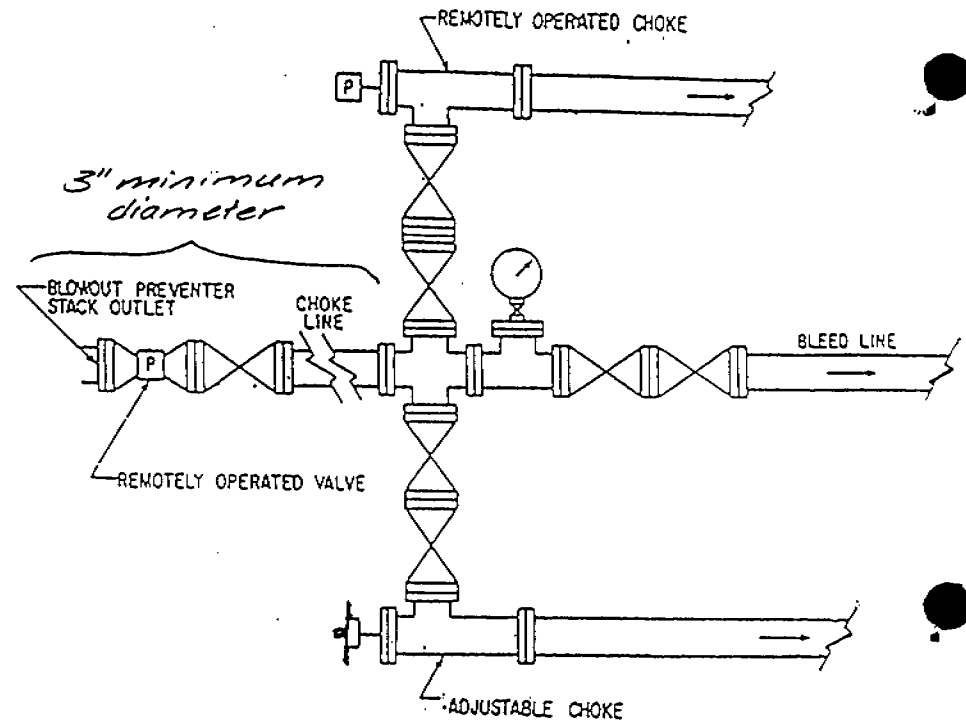
CORING: None

6. ABNORMAL PRESSURE AND TEMPERATURE: No abnormal pressures are anticipated. A BHT of 198 degrees F and a BHP of 5,500 psi are expected.
7. ANTICIPATED STARTING DATE: November 1, 2001

DURATION OF OPERATION: 30 days



WEXPRO/CELSIUS
5K psi Blowout Prevention Equipment



Choke Manifold System

Note: Vent Lines will be on a downward grade from choke manifold to pit and anchored securely

CASING DESIGN
ISLAND UNIT WELL-WASATCH/ MESAVERDE

	CASING	CASING	CASING	THREAD	INTERNAL	COUPLING	BIT	MUD WEIGHT		CASING	SETTING	COLLAPSE		INT.YIELD(BURST)		BODY YIELD		JT STRENGHT	
	SIZE	WEIGHT	GRADE	TYPE	DRIFT I.D.	O.D.	DIAMETER	ANNULUS	INSIDE	DERATED TO	DEPTH (FT)	RATING	DERATED	RATING	DERATED	RATING	DERATED	RATING	DERATED
WASATCH	9 5/8"	36	K-55	ST&C	8.765	10.625	12 1/4"	8.41	11	100%	350	1,370	1,370	2,950	2,950	381,000	381,000	263,000	263,000
												153	8.961	200	14.74	12,600	30.24	12,600	20.87
MESAVERDE	4 1/2"	11.6	N-80	ST&C	3.875	5.000	7.875	10	10.5	100%	8,500	6,350	6,350	7,780	7,780	267,000	267,000	223,000	223,000
												4,420	1.437	4,420	1.76	98,600	2.71	98,600	2.26
	4 1/2"	11.6	N-80	ST&C	3.875	5.000	7.875	10.5	10.5	100%	10,800	6,350	6,350	7,780	7,780	267,000	267,000	223,000	223,000
												5,624	1.129	5,624	1.38	139,200	1.92	139,200	1.60
	4 1/2"	11.6	P-110	ST&C	3.701	5.000	7.500	10.5	10.5	100%	12,000	7,560	7,560	10,690	10,690	367,000	367,000	279,000	279,000
											1,700	6,552	1.154	6,552	1.63	19,720	18.61	19,720	

C) PER ONSHORE ORDER 2:

SECTION III B (REVISION 1/27/92)

Surface Use and Operations
Wexpro Company
Island Unit Well No. 87
Uintah County, Utah

1. Existing Road:
 - A. Proposed Well Site as Staked: Refer to well location plat and area map.
 - B. Proposed Access Route: Refer to general area map. All access roads are within lease boundaries.
 - C. Plans for Improvement and/or Maintenance: All existing roads utilized will be maintained in their present condition and no improvements will be made.
2. Planned Access Roads:
 - A. New road to be constructed of approximately 0.2 mile in length is anticipated and will be crowned and ditched with a 16 foot running surface. Construction of the access road will necessitate a 30-foot wide right-of-way (maximum disturbance).
 - B. Maximum grade: Will not exceed 10 percent.
 - C. Turnouts: Water turnouts will be constructed as required to divert runoff water from the road ditch in such a manner as to not cause erosion.
 - D. Location (centerline): Access road has been staked and flagged. Surface disturbance and vehicular travel will be limited to the approved access route, additional area needed will be approved in advance.
 - E. Surface materials: Surface materials will be obtained from cuts along the access road and location. Spot surfacing may be required to maintain the running surface.
 - F. Any topsoil (approximately 6-inches) removed in conjunction with road construction will be spread in the borrow ditches or windrowed to the side. Borrow areas will be seeded as discussed in reclamation procedures.
3. Location of Existing Wells: Refer to area map for the location of existing wells within a one-mile radius.
4. Location of Existing and/or Proposed Facilities: Refer to area maps. Layout of new facilities will be submitted via sundry Notice prior to installation.

All permanent (onsite for six months or longer) structures constructed or installed will be painted Desert Brown, a flat, non-reflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with Occupational Safety and Health Act will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain one-and-a-half times the storage capacity of the battery.

Facilities will be applied for via Sundry Notice prior to installation.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from Authorized Officer.

Pipeline

The proposed pipeline will be constructed and operated by Questar Gas Management Company. The pipeline will be approximately 2880' in length. The proposed surface pipeline will be 3.5 O.D., Grade B or X-42 with a 0.188-inch wall thickness. The width of the right-of-way requested is 50 feet for construction and will revert to 30 feet for operation and maintenance purposes. The pipeline will be either brown or black in color.

The maximum operating pressure that the natural gas pipeline is designed for is 1170 psig. Associated facilities include above ground valves and piping at the lateral junctions.

5. Location and Type of Water Supply: Water will be hauled by tank trucks from the Ouray Brine water well located in Section 9-T8S-R20E, Water Use Claim #43-10610.
6. Source of Construction Materials: All materials will be derived from cuts at the location and along the access road. Construction material will be located on lease.
7. Methods for Handling Water Disposal: Cuttings and drilling fluids will be placed in a lined mud pit which will be constructed with at least one half of its holding capacity below ground level. The mud pit will be fenced on three sides with a sheep-tight fence of woven wire prior to the onset of drilling. Immediately upon completion of drilling, the fourth side will be fenced and the liquids allowed to evaporate. The fence will be maintained until restoration. Any produced liquids will be contained in test tanks and

hauled out by tank trucks. Garbage and other waste materials will be placed in a trash cage, the contents of which will be disposed of in the nearest legal landfill. Portable sewage facilities will be utilized for the disposal of human waste.

Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location will be submitted for the Authorized Officer's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order.

8. Ancillary Facilities: Camp facilities will not be required.
9. Wellsite Layout: Refer to drawing.
10. Plans for Restoration of the Surface: During construction, all woody vegetation and the top six-inches of topsoil material will be removed from the pad and stockpiled separately. All pits will remain fenced until cleanup begins. Overhead flagging will be installed if oil is in the mud pit.

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. All disturbed areas will be recontoured to the approximate natural contours to the satisfaction of the Authorized Officer.

The stockpiled topsoil will be evenly distributed over the disturbed areas. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. Reseeding will be done in the Fall before ground frost.

A seed drill equipped with a regulator will be required. Seed will be drilled 1/4-1/2 inch deep on the contour using the following seed mixture specified by the Bureau of Land Management.

Species	lbs. PLS/acre
Shadscale	4 lbs PLS/acre
Gardner's Saltbush	4 lbs PLS/acre
Gallette Grass	4 lbs PLS/acre

Species	lbs. PLS/acre
Total	12 lbs PLS/acre

Where drilling is not possible a broadcast/rake method will be used doubling the seed mixture.

11. Surface and Mineral Ownership: Surface ownership along the access road is federal and surface ownership at the wellsite is federal.
12. Other Information: Stan Olmstead of the Bureau of Land Management, Vernal Field Office in Vernal, Utah will be notified at least 72-hours prior to commencement of both construction and reclamation operations.

A Class III Cultural Resource Inventory will be completed and the report forwarded to the Bureau of Land Management.

No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

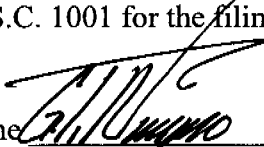
13. Lessee's or Operators Representative and Certification:

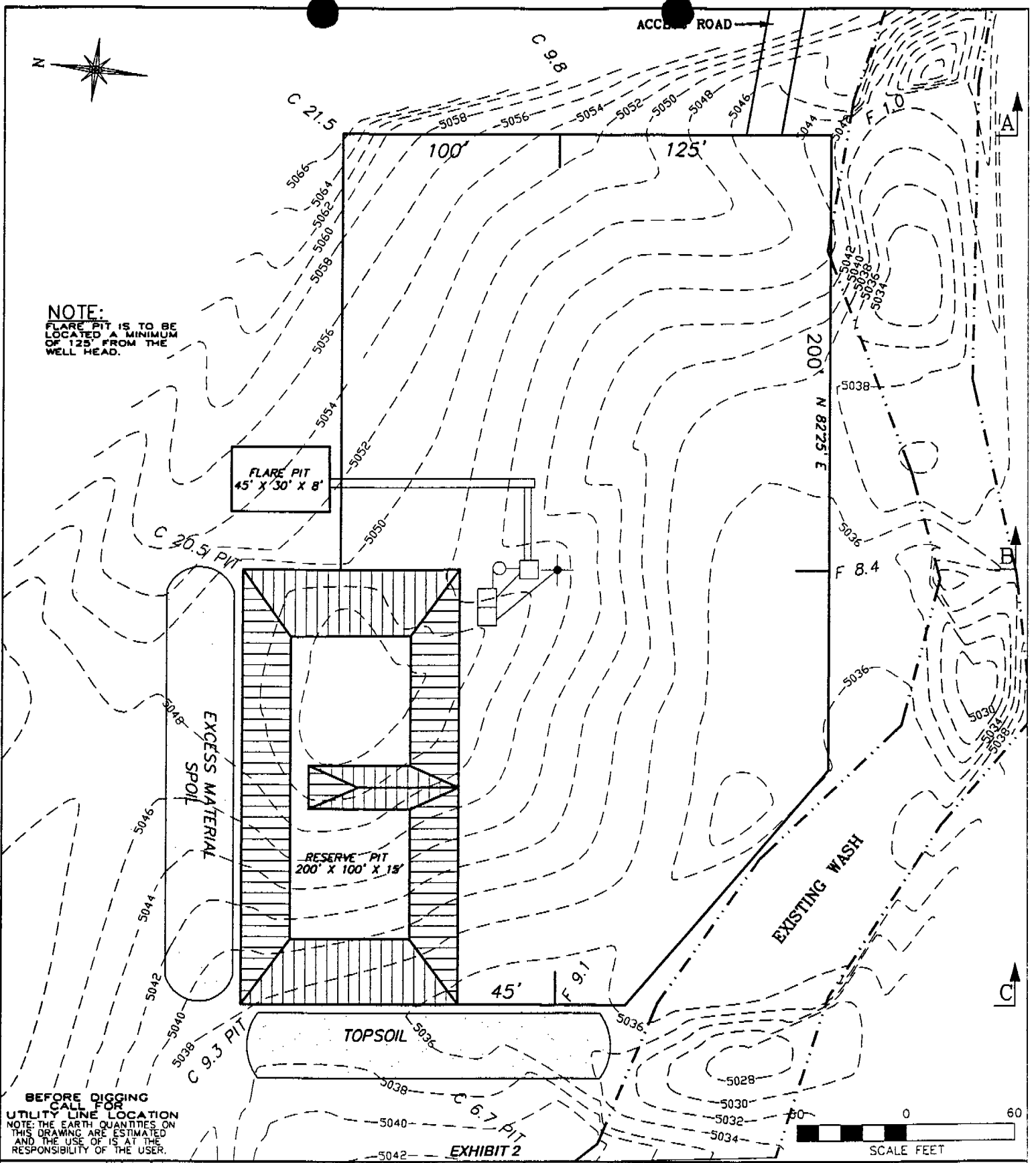
G. T. Nimmo, Operations Manager, P. O. Box 458, Rock Springs, Wyoming 82902, telephone number (307) 352-7577.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which currently exist, that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Wexpro Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 12/20/01

Name: 
G. T. Nimmo, Operations Manager

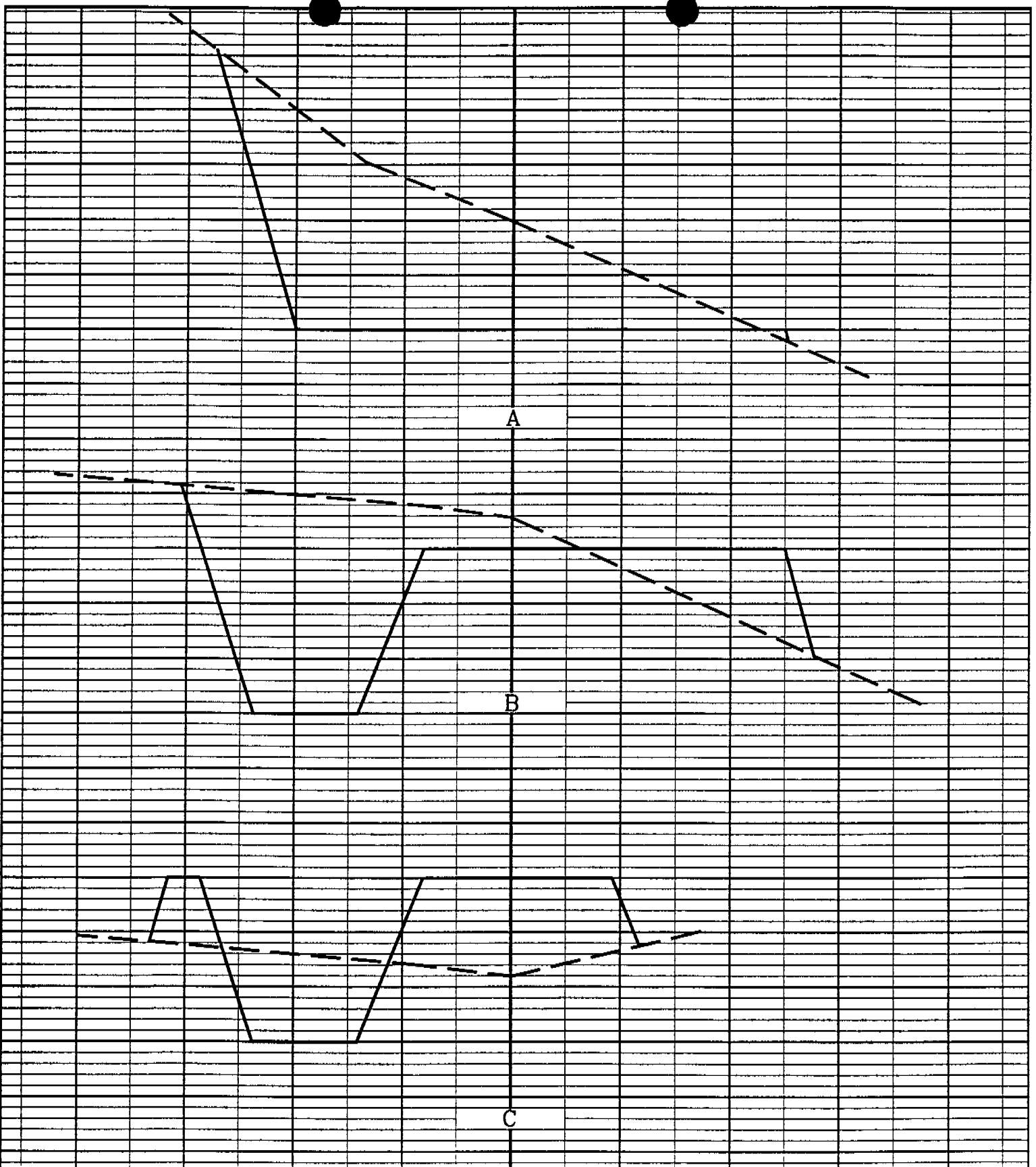


**BEFORE DIGGING
CALL FOR
UTILITY LINE LOCATION**
NOTE: THE EARTH QUANTITIES ON
THIS DRAWING ARE ESTIMATED
AND THE USE OF IS AT THE
RESPONSIBILITY OF THE USER.

DRG RIFFIN & ASSOCIATES, INC.

WEXPRO COMPANY
ISLAND UNIT #87
ESTIMATED EARTHWORK

1414 ELK ST., SUITE 202 ROCK SPRINGS, WY 82901 (307) 362-5028	SCALE: 1" = 60'	6" TOPSOIL: 1623 CY PAD CUT: 8578 CY FILL: 7827 CY PIT CUT: 7444 CY	UNGRADED ELEVATION: 5047' FINISHED ELEVATION: 5045'
	JOB No. 7651		
	REV. DATE: 6/6/01		



RIFFIN & ASSOCIATES, INC.

WEXPRO COMPANY
ISLAND UNIT #87

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

JOB No. 7651

REV. DATE: 6/6/01

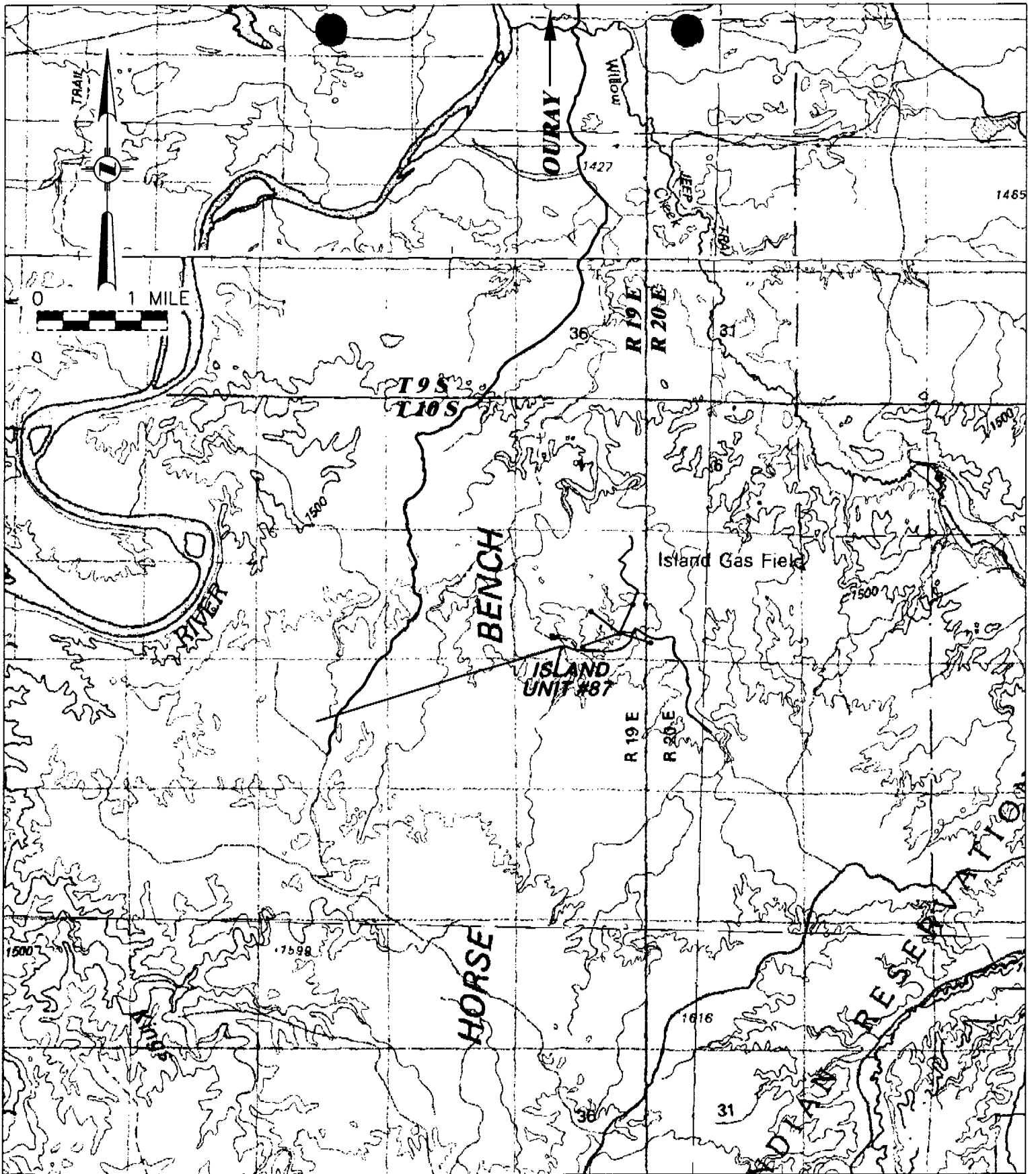
HORZ. 1" = 50' VERT. 1" = 10'

UNGRADED ELEVATION: 5047'
FINISHED ELEVATION: 5045'

EXHIBIT 3

**WEXPRO COMPANY
ISLAND UNIT #87
SEC. 12, T10S, R19E**

Beginning at the town of Ouray, Utah; travel South on State Road 88 for 2.7 miles to an existing resource road. Turn right and there will be a "Y" in the road. Stay left and travel Southwesterly for 2139 feet to another "Y". Stay left and travel Southwesterly for 2.7 miles to an existing resource road. Turn left and travel Southwesterly for 7.0 miles to an intersection. Turn left and travel Northeasterly for 1.9 miles to the proposed access road. Turn left and travel 816 feet to the proposed location.



RIFFIN & ASSOCIATES, INC.

1414 ELK ST., SUITE 202
ROCK SPRINGS, WY 82901
(307) 362-5028

SCALE: 1" = 1 MILE

JOB No. 7651

DATE: 05/17/01

**PROPOSED ACCESS
FOR
WEXPRO COMPANY**

EXISTING ROAD

PROPOSED ROAD

**TOPO MAP
A**

TOPO MAP
B

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/21/2001

API NO. ASSIGNED: 43-047-34139

WELL NAME: ISLAND U 87

OPERATOR: WEXPRO COMPANY (N1070)

CONTACT: G T NIMMO

PHONE NUMBER: 307-382-9791

PROPOSED LOCATION:

SESW 12 100S 190E

SURFACE: 1005 FSL 1712 FWL

BOTTOM: 1005 FSL 1712 FWL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-4484

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ES0019)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit

(No. 43-10610)

☒ RDCC Review (Y/N)

(Date: _____)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

 R649-2-3. Unit ISLAND

 R649-3-2. General

 Siting: 460 From Qtr/Qtr & 920' Between Wells

☒ R649-3-3. Exception

 Drilling Unit

Board Cause No: _____

Eff Date: _____

Siting: _____

 R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: ① FEDERAL APPROVAL



COUNTY: UINTAH UNIT: ISLAND
SPACING: R649-3-3/EX LOC



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

June 22, 2001

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2001 Plan of Development Island Unit, Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2001 within the Island Unit, Uintah County, Utah.

Api Number	Well	Location
------------	------	----------

(Proposed Primary PZ Mesa Verde, Secondary PZ Wasatch)

43-047-34136	Island U 85	Sec. 11, T10S, R19E	2478 FSL 1865 FWL
43-047-34137	Island U 86	Sec. 11, T10S, R19E	0753 FNL 0965 FEL
43-047-34138	Island U 84	Sec. 08, T10S, R20E	0981 FSL 1207 FWL
43-047-34139	Island U 87	Sec. 12, T10S, R19E	1005 FSL 1712 FWL

Please be advised the Wexpro/Questar is currently in the process of applying for a combined Wasatch Mesa-Verde participating area. Until such time as a combined Wasatch Mesa-Verde participating area is approved, Wasatch and Mesa Verde production should not be comingled without approval from the Vernal Field Office.

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Island Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:6-22-1



Wexpro Company
180 East 100 South
P.O. Box 45601
Salt Lake City, UT 84145-0601
Tel 801 324 2600
Fax 801 324 2637

June 27, 2001

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attention Lisha Cordova

Re: Island Unit Well No. 87
Sec. 12, T10S, R19E
Uintah County, Utah

Dear Ms. Cordova

On June 20, 2001, Wexpro Company (Wexpro) submitted for approval an APD to drill Island Unit Well No. 87. From our phone conversation on June 22, you stated that before approval of this APD could be granted, Wexpro would need to file for an exception location in accordance with Rule No. R649-3-3, of the regulations of the Utah Division of Oil, Gas and Mining (the Division).

The above referenced well is located within an approved federal exploratory unit - Island Unit, Participating Area "A". This well will be operated in accordance with the federal rules and regulations and the federal unit operating agreement. At this time, Wexpro requests that the Division approve our original APD as an exception location, due to the fact that there are topographic constraints that prevent us from drilling at a legal location within the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 12, T10S, R19E.

As for the Division's concerns regarding ownership within 460 ft of our proposed location, we are providing the following information to satisfy the Division's concerns.

Well	Location	Lease	Ownership
Island Unit Well #87	SESW, Sec. 12, T10S, R19E	U-4484	Wexpro Company - 100%

As you can see, Wexpro is the only working interest owner, thereby not requiring the approval of other parties for our intended operation.

RECEIVED

JUN 29 2001

DIVISION OF
OIL, GAS AND MINING

Island Unit Well No. 87

Page 2

We respectfully request that the Division approve our APD as it was submitted. Should you have any questions, please call me at (801) 324-2611.

Sincerely,

WEXPRO COMPANY



David J. Quinn, Coordinator
Units and Joint Operations

cc: Bureau of Land Management
Dee Findley



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

July 3, 2001

Wexpro Company
PO Box 458
Rock Springs, WY 82902

Re: Island Unit 87 Well, 1005' FSL, 1712' FWL, SE SW, Sec. 12, T. 10 South, R. 19 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34139.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Wexpro Company
Well Name & Number Island Unit 87
API Number: 43-047-34139
Lease: U 4484

Location: SE SW **Sec.** 12 **T.** 10 South **R.** 19 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.



Wexpro Company
100 East 100 South
P.O. Box 45601
Salt Lake City, UT 84145-0601
Tel 801 324 2600
Fax 801 324 2637

July 2, 2001

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Attention Lisha Cordova

Re: Island Unit Well No. 87 - Amended
Sec. 12, T10S, R19E
Uintah County, Utah

Dear Ms. Cordova

On June 20, 2001, Wexpro Company (Wexpro) submitted for approval an APD to drill Island Unit Well No. 87. From our phone conversation on June 22, you stated that before approval of this APD could be granted, Wexpro would need to file for an exception location in accordance with Rule No. R649-3-3, of the regulations of the Utah Division of Oil, Gas and Mining (the Division).

The above referenced well is located within an approved federal exploratory unit - Island Unit, Participating Area "A". This well will be operated in accordance with the federal rules and regulations and the federal unit operating agreement. At this time, Wexpro requests that the Division approve our original APD as an exception location, due to the fact that there are topographic constraints that prevent us from drilling at a legal location within the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 12, T10S, R19E.

As for the Division's concerns regarding ownership within 460 ft of our proposed location, we are providing the following information to satisfy the Division's concerns.

Well	Location	Lease	Ownership
Island Unit Well #87	SESW, Sec. 12, T10S, R19E	U-4484	Wexpro Company - 100%

Federal Lease U-4484, covers the following lands in Section 12, T10S, R19E: (All). As you can see, Wexpro is the only working interest owner in this section, thereby not requiring the approval of other parties for our intended operation.

RECEIVED

JUL 03 2001

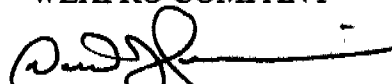
DIVISION OF
OIL, GAS AND MINING

Island Unit Well No. 87
Page 2

We respectfully request that the Division approve our APD as it was submitted. Should you have any questions, please call me at (801) 324-2611.

Sincerely,

WEXPRO COMPANY

A handwritten signature in dark ink, appearing to read 'David J. Quinn', is written over the printed name.

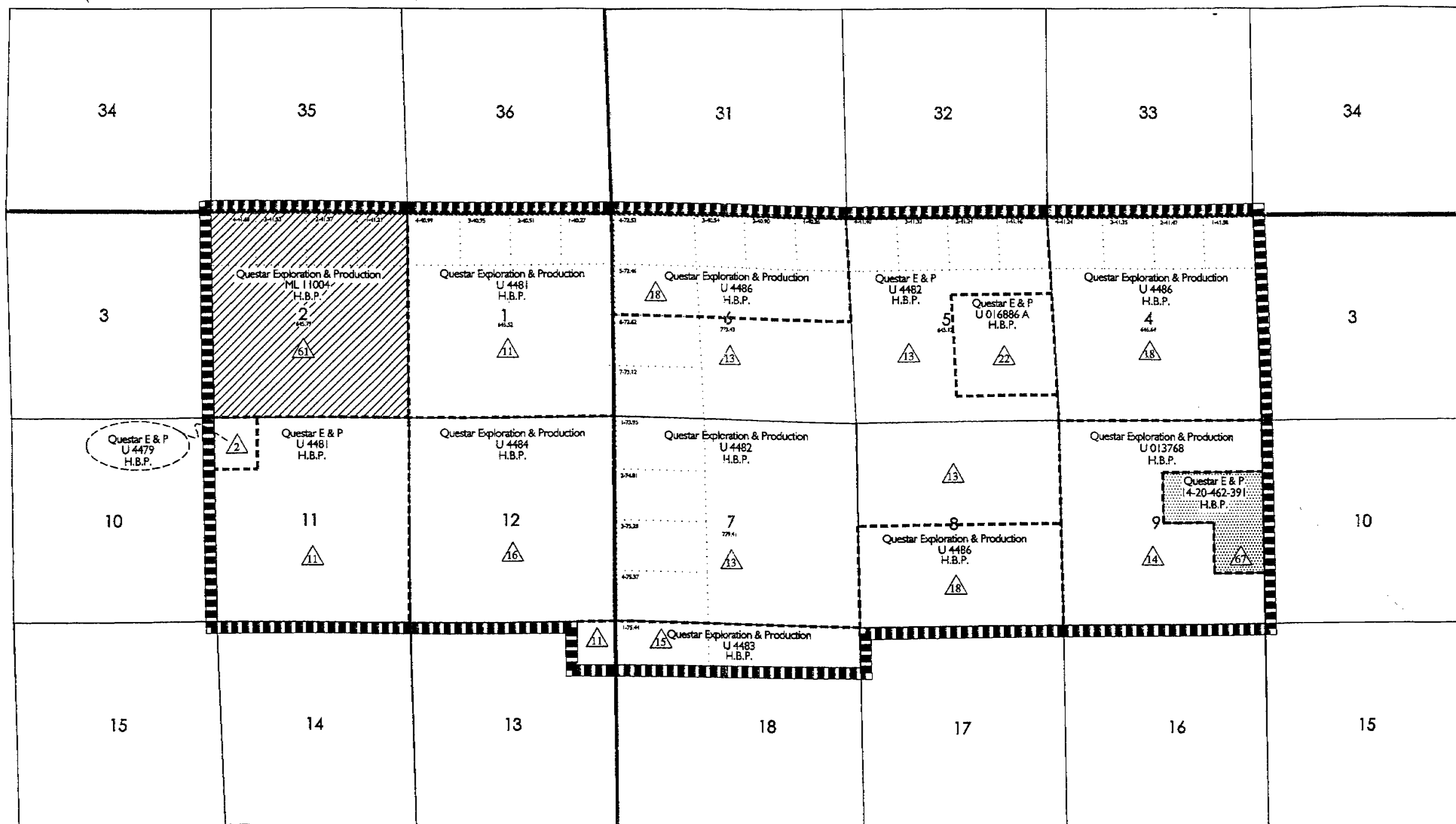
David J. Quinn, Coordinator
Units and Joint Operations

cc: Bureau of Land Management
Dee Findley

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R 19 E

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S*Legend:*

Island "A" Unit

Initial Participating Area A' For the Wasatch Formation

Initial Participating Area A' For the Mesaverde Formation (Proposed)



Tract Boundary & Number



Federal Lands



State Lands



Indian Lands

Initial Participating Area A' For The Wasatch
And Mesaverde Formations Combined. (Proposed)

Exhibit "A"

*Wexpro Company*Proposed Wasatch and Mesaverde Formations
Combined Participating Area A**ISLAND UNIT**

UINTAH COUNTY, UTAH

*Computer Drafted October, 2000*

Enclosure 1

(December, 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

b. TYPE OF WELL

OIL ☐ GAS ☐
WELL ☐ WELL ☒

OTHER

DRILL ☒ DEEPEN ☐

SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1712' FWL, 1005' FSL, SE SW
At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 20 miles southwest of Ouray, Utah

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

1005'

16. NO. OF ACRES IN LEASE

1970

17. NO. OF ACRES ASSIGNED
TO THIS WELL

NA

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.

1475'

19. PROPOSED DEPTH

10,845'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR 5047'

22. APPROX. DATE WORK WILL START*

November 1, 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	16"	Steel Conductor	45'	Please refer to drilling plan
12-1/4"	9-5/8", K-55	36#	1,100'	Please refer to drilling plan
7-7/8"	4-1/2", N-80	11.6#	10,300'	Please refer to drilling plan
7-7/8"	4-1/2", P-110	11.6#	10,845'	Please refer to drilling plan

Please refer to attached Drilling Plan for details.

Please be advised that Wexpro Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Nationwide Bond No. SL67308873, BLM Bond No. ES0019.

RECEIVED

AUG 31 2001

RECEIVED
DIVISION OF
OIL, GAS AND MINING
JUN 21 2001

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

G. T. Nimmo, Operations Manager

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

NOTICE OF APPROVAL

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY

Assistant Field Manager

APPROVED BY

TITLE

Mineral Resources

DATE

* See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Wexpro Company

Well Name & Number: Island Unit #87

API Number: 43-047-34139

Lease Number: U - 4484

Surface Location: SESW Sec. 12 T. 10S R. 19E

Agreement: Island Unit

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

The operator is fully responsible for the actions of his All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **5M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above of the top of the Green River Formation, identified at 1,334(TVD) ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. **One copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4.** Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-Lease or off-lease will

have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COA)

Location of Existing and/or Proposed Facilities:

The proposed pipeline will be installed along road right-of-way routes as close as possible without interfering with normal travel and maintenance of the roadway.

Plans for Reclamation of Location:

The seed mixture shall be drilled but if the seed mixture is to be aerially broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction the stockpiled top soil will be seeded and the seed worked into the soil by "walking" the pipe with caterpillar tracks. All other reclamation operation will be seeded immediately (within 7 days) after top soil has been worked onto the recontoured surfaces.

Other Information:

If invasive or noxious weeds establish in the area of disturbance, the operator will be required to remove the invasive vegetation chemically or physically.



RECEIVED

JUN 25 2002

DIVISION OF
GAS AND MINING

Wexpro Company

1955 Blairtown Road
P. O. Box 458
Rock Springs, WY 82902
Tel (307) 352-7554
Fax (307) 352-7575
DeeF@questar.com

Dee A. Findlay
Regulatory Affairs Technician

June 20, 2002

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P. O. Box 145801
Salt Lake City, UT 84114-5801

Gentlemen:

Wexpro Company is requesting an extension to the following approved Application of Permit to Drill (APD). These well are to be drilled in the future. All wells are located in Uintah County, Utah.

Island Unit Well No. 84

API #43-047-34138
981' FSL, 1207' FWL
SW SW, Sec. 8, T 10S, R 20E

Island Unit Well No. 86

API #43-047-34137
753' FNL, 956' FEL
NE NE, Sec. 11, T 10S, R 19E

Island Unit Well No. 85

API #43-047-34136
2478' FSL, 1865' FWL
~~SW~~ SW, Sec. 11, T 10S, R ~~20~~
NE 19

Island Unit Well No. 87

API #43-047-34139
1005' FSL, 1712' FWL
SE SW, Sec. 12, T 10S, R 19E

Thank you for your consideration and if you have any questions, please contact me at (307) 352-7554.

Sincerely,

Dee Findlay

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-02-02
By:

COPY SENT TO OPERATOR

Date: 7-3-02
Initials: LHO

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (FOOTAGE, SEC., T., R., M., OR SURVEY DESCRIPTION)

1712' FWL, 1005' FSL, SE SW 12-10S-19E

5. LEASE DESIGNATION AND SERIAL NO.

U-4484

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. IF UNIT OR CA, AGREEMENT DESIGNATION

ISLAND

8. WELL NAME AND NO.

ISLAND UNIT NO. 87

9. API WELL NO.

43-047-34139

10. FIELD AND POOL, OR EXPLORATORY AREA

ISLAND

11. COUNTY OR PARISH, STATE

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD renewal

☐ Change in Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or recompletion report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Wexpro requests an extension to the above reference APD. The Request for Permit Extension Validation is attached.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 07-03-03
By: [Signature]

COPY SENT TO OPERATOR

Date: 7-8-03
Initials: CHD

RECEIVED
JUL 02 2003
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title G. T. Nimmo, Operations Manager Date June 26, 2003

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any.

Title 18 U.S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43 - 47 - 34139
Well Name: Island Unit Well No. 87
Location: SE SW Section 12 - 10 S - 19 E
Company Permit Issued to: Wexpro Company
Date of Original Permit: July 3, 2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the onwership changed, if so, has the surface agreement been update? Yes ☐ No ☐ N/A

Have any well been drilled in the vicinity of the proposed well which would affect the spacing or siting requirments for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changed to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Signature

Date

Title: Operations Manager

Representing: Wexpro Company

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

SINGLE ZONE ☒MULTIPLE ZONE ☐

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1712' FWL, 1005' FSL, SE SW

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 20 miles southwest of Ouray, Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

1005'

16. NO. OF ACRES IN LEASE

1970.27

17. NO. OF ACRES ASSIGNED TO THIS WELL

NA

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.

1475'

19. PROPOSED DEPTH

10,845'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GR 5047'

22. APPROX. DATE WORK WILL START*

May 1, 2004

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	16"	Steel Conductor	45'	Please refer to drilling plan
12-1/4"	9-5/8", K-55	36#	1,100'	Please refer to drilling plan
7-7/8"	4-1/2", N-80	11.6#	10,300'	Please refer to drilling plan
7-7/8"	4-1/2", P-110	11.6#	10,845'	Please refer to drilling plan

Please refer to attached Drilling Plan for details.

Please be advised that Wexpro Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by Nationwide Bond No. SL67308873, BLM Bond No. ES0019.

RECEIVED

DEC 15 2003

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

G. T. Nimmo, Operations Manager

TITLE

DATE

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

Acting Assistant Field Manager
Mineral Resources

DATE

12/10/03

* See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Wexpro Company
Well Name & Number: ISLAND UNIT #87
API Number: 43-047-34139
Lease Number: UTU - 4484
Location: SESW Sec. 12 TWN: 10S RNG: 19E
Agreement: Island WS MV A

NOTIFICATION REQUIREMENTS

- | | |
|---------------------------------|---|
| Location Construction | - At least forty-eight hours prior to construction of the location or access roads. |
| Location Completion | - Prior to moving on the drilling rig. |
| Spud Notice | - At least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - At least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - At least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - Within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands encountered to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 5M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 1,350 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

6. Notifications of Operations

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform to Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids.

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

Location of Existing and/or Proposed Facilities:

The proposed pipe line will be installed along road right-of-way routes as close as possible without interfering with normal travel and maintenance of the road way.

Plans for Reclamation Of Location:

The seed mixture shall be drilled; but, if the seed mixture is to be aurally broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction, the stockpiled topsoil will be seeded and the seed worked into the soil with caterpillar tracking. All other reclamation operations will be seeded immediately (within 7 days) after topsoil has been worked on to the re-contoured surfaces.

Other Information:

If invasive or noxious weeds establish in the area of disturbance, the operator will be required to remove the invasive vegetation chemically or physically.

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43 - 47 - 34139
Well Name: Island Unit Well No. 87
Location: SE SW Section 12 - 10 S - 19 E
Company Permit Issued to: Wexpro Company
Date of Original Permit: July 3, 2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been update? Yes ☐ No ☐ N/A

Have any well been drilled in the vicinity of the proposed well which would affect the spacing or siting requirments for this location? Yes ☐ No ☒

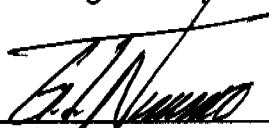
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒


Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changed to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature



Date

Title: Operations Manager

Representing: Wexpro Company

RECEIVED

JUN 28 2004

DIV. OF OIL, GAS & MINING

Form 3180-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

☐ OIL WELL
 ☒ GAS WELL
 ☐ OTHER

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (FOOTAGE, SEC., T., R., M., OR SURVEY DESCRIPTION)

1712' FWL, 1005' FSL, SE SW 12-10S-19E

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. LEASE DESIGNATION AND SERIAL NO.

U-4484

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. IF UNIT OR CA, AGREEMENT DESIGNATION

ISLAND

8. WELL NAME AND NO.

ISLAND UNIT NO. 87

9. API WELL NO.

43-047-34139

10. FIELD AND POOL, OR EXPLORATORY AREA

ISLAND

11. COUNTY OR PARISH, STATE

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☒
- Other APD renewal

- ☐
- Change in Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Extension or recompletion report also Log summary)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Wexpro requests an extension to the above reference APD. The Request for Permit Extension Validation is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 07-06-04

By: 

RECEIVED

JUL 02 2004

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

Date: 7-7-04
Initials: C.H.O.

14. I hereby certify that the foregoing is true and correct

Signed



Title G. T. Nimmo, Operations Manager

Date

July 2, 2004

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT -" for such proposals

5. LEASE DESIGNATION AND SERIAL NO.
U-4484

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. IF UNIT OR CA, AGREEMENT DESIGNATION
ISLAND

8. WELL NAME AND NO.

ISLAND UNIT NO. 87

9. API WELL NO.
43-047-34139

10. FIELD AND POOL, OR EXPLORATORY AREA
ISLAND

11. COUNTY OR PARISH, STATE

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

OIL ☐ WELL GAS ☒ WELL ☐ OTHER

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (FOOTAGE, SEC., T., R., M., OR SURVEY DESCRIPTION)

1712' FWL, 1005' FSL, SE SW 12-10S-19E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD renewal

☐ Change in Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

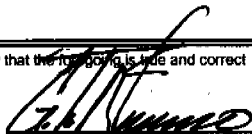
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Wexpro requests an extension to the above reference APD. The Request for Permit Extension Validation is attached.

14. I hereby certify that the foregoing is true and correct

Signed



Title **G. T. Nimmo, Operations Manager**

Date

July 2, 2004

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

RECEIVED
JUL 07 2004

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 2 / 2005

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. DW OF OIL, GAS & MINING
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

OIL WELL ☐ GAS WELL ☒ OTHER ☐

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (FOOTAGE, SEC., T., R., M., OR SURVEY DESCRIPTION)

1712' FWL, 1005' FSL, SE SW 12-10S-19E

5. LEASE DESIGNATION AND SERIAL NO.

U-4484

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. IF UNIT OR CA, AGREEMENT DESIGNATION

ISLAND

8. WELL NAME AND NO.

ISLAND UNIT NO. 87

9. API WELL NO.

43-047-34139

10. FIELD AND POOL, OR EXPLORATORY AREA

ISLAND

11. COUNTY OR PARISH, STATE

UINTAH COUNTY, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD renewal

☐ Change in Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Wexpro requests an extension to the above reference APD. The Request for Permit Extension Validation is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 06-28-05
By: [Signature]

COPY SENT TO OPERATOR
Date: 6-29-05
Initials: [Signature]

14. I hereby certify that the foregoing is true and correct

Signed

[Signature]

Title G. T. Nimmo, Operations Manager

Date

June 23, 2005

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43 - 47 - 34139
Well Name: Island Unit Well No. 87
Location: SE SW Section 12 - 10 S - 19 E
Company Permit Issued to: Wexpro Company
Date of Original Permit: ~~December 10, 2003~~ 7/3/2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been update? Yes ☐ No ☐ N/A

Have any well been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒


Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changed to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



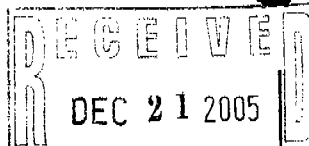
Signature



Date

Title: Operations Manager

Representing: Wexpro Company



FORM APPROVED
OMB NO. 1004-0136
Expires: January 31, 2004

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.	U-4484
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	ISLAND UNIT
8. Lease Name and Well No.	ISLAND UNIT WELL NO. 87
9. API Well No.	43-047-34139
10. Field and Pool, or Exploratory	ISLAND
11. Sec., T., R., M., or Blk. And Survey or Area	12 T 10S R 19E
12. County or Parish	UINTAH
13. State	UTAH

1a. Type of Work ☒ DRILL ☐ REENTER
1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator

WEXPRO COMPANY

3a. Address
P. O. Box 458 Rock Springs, WY 82092

3b. Phone No. (include area code)
(307) 382-9791

4. Location of well (Report location clearly and in accordance with any State requirements. *)
At surface
1005' FSL, 1712' FWL, SE SW
At proposed prod. zone
SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 20 miles southwest of Oray, Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	1005'	16. No. of Acres in lease	1970.27	17. Spacing Unit dedicated to this well	N/A
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	1475'	10. Proposed Depth	10,925'	20. BLM/ BIA Bond No. on file	BLM
				Nationwide Bond No. 965002976	
				Bond No. ESB000024	
21. Elevations (Show whether DF, RT, GR, etc.)	5047' ungraded	22. Approximate date work will start*	May 15, 2006	23. Estimated Duration	30 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/ or plans as may be required by the authorized officer. |

25. Signature <i>G. T. Nimmo</i>	Name (Printed/ Typed) G. T. NIMMO	Date 12/19/05
Title OPERATIONS MANAGER		
Approved By (Signature) <i>Robert M. Specht</i>	Name (Printed/ Typed) Robert M. Specht	Date 2/1/06
Title Assistant Field Manager Mineral Resources		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

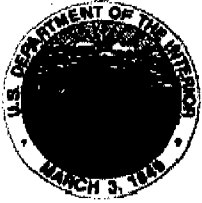
*(Instructions on reverse)

UDOGM

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

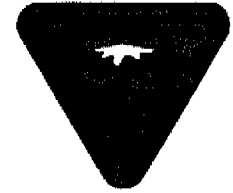
NOTICE OF APPROVAL FEB 06 2006

DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: **Wexpro Company**
Well No: **Island Unit 87**
API No: **43-047-34139**

Location: **SESW, Sec 12, T10S, R19E**
Lease No: **UTU-4484**
Agreement: **Island WS M A**

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
After Hours Contact Number: 435-781-4513		Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a one-year period. An additional year extension may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

- | | | |
|---|---|--|
| Location Construction
(Notify Karl Wright) | - | Forty-Eight (48) hours prior to construction of location and access roads. |
| Location Completion
(Notify Karl Wright) | - | Prior to moving on the drilling rig. |
| Spud Notice
(Notify Petroleum Engineer) | - | Twenty-Four (24) hours prior to spudding the well. |
| Casing String & Cementing
(Notify Jamie Sparger) | - | Twenty-Four (24) hours prior to running casing and cementing all casing strings. |
| BOP & Related Equipment Tests
(Notify Jamie Sparger) | - | Twenty-Four (24) hours prior to initiating pressure tests. |
| First Production Notice
(Notify Petroleum Engineer) | - | Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

Location of Existing and/or Proposed Facilities:

The proposed pipe line will be installed along road right-of-way routes as close as possible without interfering with normal travel and maintenance of the road way.

Plans for Reclamation Of Location:

The seed mixture shall be drilled; but, if the seed mixture is to be aerially broadcasted, the pounds per acre shall be doubled. All seed poundages are in Pure Live Seed.

Immediately after construction, the stockpiled topsoil will be seeded and the seed worked into the soil with caterpillar tracking. All other reclamation operations will be seeded immediately (within 7 days) after topsoil has been worked on to the re-contoured surfaces.

Other Information:

If invasive or noxious weeds establish in the area of disturbance, the operator will be required to remove the invasive vegetation chemically or physically.

DOWNHOLE CONDITIONS OF APPROVAL

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL

1. Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Green River Formation, identified at 1,350 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

Please submit an electronic copy of all logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - a. Operator name, address, and telephone number.
 - b. Well name and number.
 - c. Well location ($\frac{1}{4}$ Sec., Twn, Rng, and P.M.).
 - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - g. Unit agreement and / or participating area name and number, if applicable.
 - h. Communitization agreement number, if applicable.
13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.

14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. LEASE DESIGNATION AND SERIAL NO.
U-4484

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. IF UNIT OR CA, AGREEMENT DESIGNATION

ISLAND

8. WELL NAME AND NO.

ISLAND UNIT NO. 87

9. API WELL NO.

43-047-34139

10. FIELD AND POOL, OR EXPLORATORY AREA

ISLAND

11. COUNTY OR PARISH, STATE

UINTAH COUNTY, UTAH

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

☐ OIL WELL ☒ GAS WELL ☐ OTHER

2. NAME OF OPERATOR

WEXPRO COMPANY

3. ADDRESS AND TELEPHONE NO.

P. O. BOX 458, ROCK SPRINGS, WY 82902 (307) 382-9791

4. LOCATION OF WELL (FOOTAGE, SEC., T., R., M., OR SURVEY DESCRIPTION)

1712' FWL, 1005' FSL, SE SW 12-10S-19E

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD renewal

☐ Change in Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or recompletion report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Wexpro requests an extension to the above reference APD. The Request for Permit Extension Validation is attached.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: **04-27-06**
By: *[Signature]*

RECEIVED

APR 26 2006

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed

[Signature]

Title **G. T. Nimmo, Operations Manager**

Date

April 24, 2006

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43 - 47 - 34139
Well Name: Island Unit Well No. 87
Location: SE SW Section 12 - 10 S - 19 E
Company Permit Issued to: Wexpro Company
Date of Original Permit: July 3, 2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the onwership changed, if so, has the surface agreement been update? Yes ☐ No ☐ N/A

Have any well been drilled in the vicinity of the proposed well which would affect the spacing or siting requirments for this location? Yes ☐ No ☒

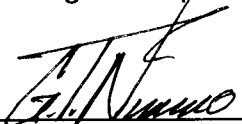
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changed to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature



Date

Title: Operations Manager

Representing: Wexpro Company

RECEIVED

APR 26 2006

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator WEXPRO COMPANY	
3a. Address P.O. BOX 458 ROCK SPRINGS, WY 82902	3b. Phone No. (include area code) 307 382-9791
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1005' FSL 1712' FWL SE SW 12 T 10S R 19E	

RECEIVED
FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2006
DEC 13 2006

5. Lease Serial No. U-4481
6. If Indian, Allottee, or Tribe Name N/A BLM
7. If Unit or CA. Agreement Name and/or No. ISLAND UNIT
8. Well Name and No. ISLAND UNIT NO. 87
9. API Well No. 43-047-34139
10. Field and Pool, or Exploratory Area ISLAND
11. County or Parish, State UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	APD Renewal
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamatantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Wexpro Company requests an extension of the above referenced APD. The original APD was approved on February 1, 2006. All conditions of approval will continue to apply.

RECEIVED
FEB 02 2007
DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

G. T. NIMMO

Title

OPERATIONS MANAGER

Signature

Date

December 11, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

UDOGM

CONDITIONS OF APPROVAL

Wexpro Company

Notice of Intent APD Extension

Lease: UTU-4481
Well: Island Unit # 87
Location: SESW Sec 12-T10S-R19E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 02/1/08
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004- 0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator WEXPRO COMPANY	
3a. Address P.O. BOX 458 ROCK SPRINGS, WY 82902	3b. Phone No. (include area code) 307 382-9791
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1005' FSL 1712' FWL SE SW 12 T 10S R 19E	

5. Lease Serial No. U-4484
6. If Indian, Allottee, or Tribe Name N/A
7. If Unit or CA. Agreement Name and/or No. ISLAND UNIT
8. Well Name and No. ISLAND UNIT NO. 87
9. API Well No. 43-047-34139
10. Field and Pool, or Exploratory Area ISLAND
11. County or Parish, State UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	APD Renewal
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Wexpro Company requests an extension of the above referenced APD. The Request for Permit Extension Validation is attached. All conditions of approval will continue to apply.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-19-07
By: [Signature]
4:19 PM

14. I hereby certify that the foregoing is true and correct.	
Name (Printed/ Typed) G. T. NIMMO	Title OPERATIONS MANAGER
Signature [Signature]	Date April 12, 2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	

Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

APR 19 2007

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43 - 47 - 34139
Well Name: Island Unit Well No. 87
Location: SE SW Section 12 - 10 S - 19 E
Company Permit Issued to: Wexpro Company
Date of Original Permit: July 3, 2001

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the onwership changed, if so, has the surface agreement been update? Yes ☐ No ☐ N/A

Have any well been drilled in the vicinity of the proposed well which would affect the spacing or siting requirments for this location? Yes ☐ No ☒

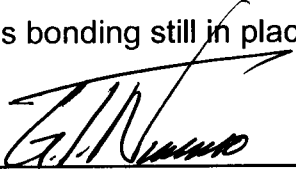
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

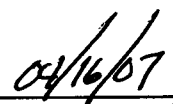
Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changed to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐



Signature



Date

Title: Operations Manager

Representing: Wexpro Company

RECEIVED

APR 19 2007

DIV. OF OIL, GAS & MINING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 30, 2008

G.T. Nimmo
Wexpro Company
P.O. Box 458
Rock Springs, WY 82902

Re: APD Rescinded – Island Unit 87 Sec. 12, T.10S, R. 19E
Uintah County, Utah API No. 43-047-34139


Dear Mr. Nimmo:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 3, 2001. On July 2, 2002, July 3, 2003, July 6, 2004, June 28, 2005, April 27, 2006 and April 19, 2007 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 30, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal/html>



IN REPLY REFER TO:

3160

UT08300

May 27, 2008

G. T. Nimmo
Wexpro Company
PO Box 458
Rock Springs, WY 82902

43-047-34139
Re: Notice of Expiration
Well No. Island Unit 87
SESW, Sec. 12, T10S, R19E
Uintah County, Utah
Lease No. UTU-4484
Island Unit

Dear Mr. Nimmo:

The Application for Permit to Drill (APD) the above-referenced well was approved on February 1, 2006. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until February 1, 2008. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson
Land Law Examiner

cc: UDOGM

RECEIVED

JUN 02 2008

DIV. OF OIL, GAS & MINING